

108TH CONGRESS  
1ST SESSION

# H. R. 3016

To combat terrorism financing, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 5, 2003

Ms. HART introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on International Relations and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To combat terrorism financing, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Combating Terrorism  
5       Financing Act of 2003”.

6       **SEC. 2. INCREASED PENALTIES FOR TERRORISM FINANC-**  
7                               **ING.**

8       Section 206 of the International Emergency Eco-  
9       nomic Powers Act (50 U.S.C. 1705) is amended—

1 (1) in subsection (a), by deleting “\$10,000”  
 2 and inserting “\$50,000”.

3 (2) in subsection (b), by deleting “ten years”  
 4 and inserting “twenty years”.

5 **SEC. 3. TERRORISM-RELATED SPECIFIED ACTIVITIES FOR**  
 6 **MONEY LAUNDERING.**

7 (a) AMENDMENTS TO RICO.—Section 1961(1) of  
 8 title 18, United States Code, is amended—

9 (1) in subparagraph (B), by inserting “section  
 10 1960 (relating to illegal money transmitters),” be-  
 11 fore “sections 2251”; and

12 (2) in subparagraph (F), by inserting “section  
 13 274A (relating to unlawful employment of aliens),”  
 14 before “section 277”.

15 (b) AMENDMENTS TO SECTION 1956(c)(7).—Section  
 16 1956(c)(7)(D) of title 18, United States Code, is amended  
 17 by—

18 (1) inserting “, or section 2339C (relating to fi-  
 19 nancing of terrorism)” before “of this title”; and

20 (2) striking “or any felony violation of the For-  
 21 eign Corrupt Practices Act” and inserting “any fel-  
 22 ony violation of the Foreign Corrupt Practices Act,  
 23 or any violation of section 208 of the Social Security  
 24 Act (relating to obtaining funds through misuse of  
 25 a social security number)”.

1       (c) CONFORMING AMENDMENTS TO SECTIONS  
2 1956(e) AND 1957(e).—

3           (1) Section 1956(e) of title 18, United States  
4 Code, is amended to read as follows:

5       “(e) Violations of this section may be investigated by  
6 such components of the Department of Justice as the At-  
7 torney General may direct, and by such components of the  
8 Department of the Treasury as the Secretary of the Treas-  
9 ury may direct, as appropriate, and, with respect to of-  
10 fenses over which the Department of Homeland Security  
11 has jurisdiction, by such components of the Department  
12 of Homeland Security as the Secretary of Homeland Secu-  
13 rity may direct, and, with respect to offenses over which  
14 the United States Postal Service has jurisdiction, by the  
15 Postal Service. Such authority of the Secretary of the  
16 Treasury, the Secretary of Homeland Security, and the  
17 Postal Service shall be exercised in accordance with an  
18 agreement which shall be entered into by the Secretary  
19 of the Treasury, the Secretary of Homeland Security, the  
20 Postal Service, and the Attorney General. Violations of  
21 this section involving offenses described in paragraph  
22 (c)(7)(E) may be investigated by such components of the  
23 Department of Justice as the Attorney General may di-  
24 rect, and the National Enforcement Investigations Center  
25 of the Environmental Protection Agency.”.

1           (2) Section 1957(e) of title 18, United States  
2       Code, is amended to read as follows:

3       “(e) Violations of this section may be investigated by  
4   such components of the Department of Justice as the At-  
5   torney General may direct, and by such components of the  
6   Department of the Treasury as the Secretary of the Treas-  
7   ury may direct, as appropriate, and, with respect to of-  
8   fenses over which the Department of Homeland Security  
9   has jurisdiction, by such components of the Department  
10   of Homeland Security as the Secretary of Homeland Secu-  
11   rity may direct, and, with respect to offenses over which  
12   the United States Postal Service has jurisdiction, by the  
13   Postal Service. Such authority of the Secretary of the  
14   Treasury, the Secretary of Homeland Security, and the  
15   Postal Service shall be exercised in accordance with an  
16   agreement which shall be entered into by the Secretary  
17   of the Treasury, the Secretary of Homeland Security, the  
18   Postal Service, and the Attorney General.”.

19   **SEC. 4. ASSETS OF PERSONS COMMITTING TERRORIST**  
20                   **ACTS AGAINST FOREIGN COUNTRIES OR**  
21                   **INTERNATIONAL ORGANIZATIONS.**

22       Section 981(a)(1)(G) of title 18, United States Code,  
23   is amended—

24           (1) by striking “or” at the end of clause (ii);

1           (2) by striking the period at the end of clause  
2           (iii) and inserting “; or”; and

3           (3) by inserting the following after clause (iii):

4                   “(iv) of any individual, entity, or or-  
5                   ganization engaged in planning or perpe-  
6                   trating any act of international terrorism  
7                   (as defined in section 2331) against any  
8                   international organization (as defined in  
9                   section 209 of the State Department Basic  
10                  Authorities Act of 1956 (22 U.S.C.  
11                  4309(b))) or against any foreign Govern-  
12                  ment. Where the property sought for for-  
13                  feiture is located beyond the territorial  
14                  boundaries of the United States, an act in  
15                  furtherance of such planning or perpetra-  
16                  tion must have occurred within the juris-  
17                  diction of the United States.”.

18 **SEC. 5. MONEY LAUNDERING THROUGH HAWALAS.**

19           Section 1956 of title 18, United States Code, is  
20 amended by adding at the end the following:

21           “(j)(1) For the purposes of subsections (a)(1) and  
22 (a)(2), a transaction, transportation, transmission, or  
23 transfer of funds shall be considered to be one involving  
24 the proceeds of specified unlawful activity, if the trans-  
25 action, transportation, transmission, or transfer is part of

1 a set of parallel or dependent transactions, any one of  
 2 which involves the proceeds of specified unlawful activity.

3 “(2) As used in this section, a ‘dependent trans-  
 4 action’ is one that completes or complements another  
 5 transaction or one that would not have occurred but for  
 6 another transaction.”.

7 **SEC. 6. CLASSIFIED INFORMATION IN MONEY LAUNDERING**  
 8 **PROCEEDINGS.**

9 Section 5318A of title 31, United States Code (as  
 10 added by section 311 of the USA PATRIOT Act of 2001)  
 11 is amended by adding at the end the following new sub-  
 12 section:

13 “(f) CLASSIFIED INFORMATION.—In any judicial re-  
 14 view of a finding of the existence of a primary money laun-  
 15 dering concern, or the requirement for one or more special  
 16 measures with respect to a primary money laundering con-  
 17 cern, made under this section, if the designation or imposi-  
 18 tion or both were based on classified information (as de-  
 19 fined in section 1(a) of the Classified Information Proce-  
 20 dures Act), such information may be submitted by the  
 21 Secretary to the reviewing court ex parte and in camera.  
 22 This subsection does not confer or imply any right to judi-  
 23 cial review of any finding made or requirement imposed  
 24 under this section.”.

1 **SEC. 7. TECHNICAL AND CONFORMING AMENDMENTS RE-**  
2 **LATING TO THE USA PATRIOT ACT.**

3 (a) TECHNICAL CORRECTIONS.—

4 (1) Sections 5312(a)(3)(C) and 5324(b) of title  
5 31 are amended by striking “5333” each time it ap-  
6 pears and inserting “5331”.

7 (2) Section 322 of Public Law 107–56 is  
8 amended by striking “title 18” and inserting “title  
9 28”.

10 (3) Section 5318(k)(1)(B) of title 31, United  
11 States Code, is amended by striking  
12 “5318A(f)(1)(B)” and inserting “5318A(e)(1)(B)”.

13 (4) Section 5332(a)(1) of title 31, United  
14 States Code, is amended by striking “article of lug-  
15 gage” and inserting “article of luggage or mail”.

16 (5) Section 1956(b)(3) and (4) of title 18,  
17 United States Code, are amended by striking “de-  
18 scribed in paragraph (2)” each time it appears; and

19 (6) Section 981(k) of title 18, United States  
20 Code, is amended by striking “foreign bank” each  
21 time it appears and inserting “foreign bank or fi-  
22 nancial institution”.

23 (b) CODIFICATION OF SECTION 316 OF THE USA  
24 PATRIOT ACT.—

25 (1) Chapter 46 of title 18, United States Code,  
26 is amended—

1 (A) by inserting at the end the following:

2 **“§ 987. Anti-terrorist forfeiture protection**

3 “(a) RIGHT TO CONTEST.—An owner of property  
4 that is confiscated under this chapter or any other provi-  
5 sion of law relating to the confiscation of assets of sus-  
6 pected international terrorists, may contest that confisca-  
7 tion by filing a claim in the manner set forth in the Fed-  
8 eral Rules of Civil Procedure (Supplemental Rules for Cer-  
9 tain Admiralty and Maritime Claims), and asserting as an  
10 affirmative defense that—

11 “(1) the property is not subject to confiscation  
12 under such provision of law; or

13 “(2) the innocent owner provisions of section  
14 983(d) apply to the case.

15 “(b) EVIDENCE.—In considering a claim filed under  
16 this section, a court may admit evidence that is otherwise  
17 inadmissible under the Federal Rules of Evidence, if the  
18 court determines that the evidence is reliable, and that  
19 compliance with the Federal Rules of Evidence may jeop-  
20 ardize the national security interests of the United States.

21 “(c) CLARIFICATIONS.—

22 “(1) PROTECTION OF RIGHTS.—The exclusion  
23 of certain provisions of Federal law from the defini-  
24 tion of the term ‘civil forfeiture statute’ in section  
25 983(i) shall not be construed to deny an owner of



1 property the right to contest the confiscation of as-  
 2 sets of suspected international terrorists under—

3 “(A) subsection (a) of this section;

4 “(B) the Constitution; or

5 “(C) subchapter II of chapter 5 of title 5,  
 6 United States Code (commonly known as the  
 7 ‘Administrative Procedure Act’).

8 “(2) SAVINGS CLAUSE.—Nothing in this section  
 9 shall limit or otherwise affect any other remedies  
 10 that may be available to an owner of property under  
 11 section 983 or any other provision of law.”; and

12 (B) in the chapter analysis, by inserting at  
 13 the end the following:

“987. Anti-terrorist forfeiture protection.”.

14 (2) Subsections (a), (b), and (c) of section 316  
 15 of Public Law 107–56 are repealed.

16 (c) CONFORMING AMENDMENTS CONCERNING CON-  
 17 SPIRACIES.—

18 (1) Section 33(a) of title 18, United States  
 19 Code is amended by inserting “or conspires” before  
 20 “to do any of the foregoing”.

21 (2) Section 1366(a) of title 18, United States  
 22 Code, is amended—

23 (A) by striking “attempts” each time it ap-  
 24 pears and inserting “attempts or conspires”;  
 25 and

1 (B) by inserting “, or if the object of the  
2 conspiracy had been achieved,” after “the at-  
3 tempted offense had been completed”.

4 **SEC. 8. TECHNICAL CORRECTIONS TO FINANCING OF TER-**  
5 **RORISM STATUTE.**

6 (a) Section 2339C(c)(2) of title 18, United States  
7 Code, is amended—

8 (1) by striking “resources, or funds” and in-  
9 serting “resources, or any funds or proceeds of such  
10 funds”;

11 (2) in subparagraph (A), striking “were pro-  
12 vided” and inserting “are to be provided, or knowing  
13 that the support or resources were provided,”; and

14 (3) in subparagraph (B)—

15 (A) by striking “or any proceeds of such  
16 funds”; and

17 (B) by striking “were provided or col-  
18 lected” and inserting “are to be provided or col-  
19 lected, or knowing that the funds were provided  
20 or collected,”.

21 (b) Section 2339C(e) is amended—

22 (1) by striking “and” at the end of paragraph  
23 (12);

24 (2) by redesignating paragraph (13) as para-  
25 graph (14); and

1           (3) by inserting after paragraph (12) the fol-  
2       lowing new paragraph:

3           “(13) the term ‘material support or resources’  
4       has the same meaning as in section 2339A(b) of this  
5       title; and”.

6       (c) Section 2332b(g)(5)(B) of title 18, United States  
7       Code, is amended by inserting “)” after “2339C (relating  
8       to financing of terrorism”.

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